

In the Matter of)	No. G 01-29
)	
The Market Conduct Examination of)	FINDINGS, CONCLUSIONS,
)	AND ORDER ADOPTING REPORT
		OF
		MARKET CONDUCT EXAMINATION
Cascade National Insurance Company)	

A Domestic Insurer.

BACKGROUND

An examination of the market conduct of **Cascade National Insurance Company** (the Company) as of September 30, 2000, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington, holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on May 1, 2001. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 29 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Cascade National Insurance Company** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, this being the Instructions and Recommendations contained in the examination report on page 22.

1. The Company is ordered to comply with RCW 48.05.190(1) and establish procedures that ensure policy documents and correspondence correctly identify the legal name of the insuring company. Instruction 1, Report page 22.
2. The Company is ordered to comply with RCW 48.19.040(6) and always issue its policies in accordance with its filings. Instruction 2, Report page 22.
3. The Company is ordered to comply with WAC 284-24-100(1)-(7) by following all documentation and analysis requirements, applying the approved schedule rating plan only to risks defined as eligible in the plan. Instruction 3, Report page 22.
4. The Company is ordered to comply with WAC 284-30-570 to ensure notices of non-renewal or cancellation sent to the insured are in clear simple language that requires no additional research for the insured to understand the action. Instruction 4, Report page 22.
5. The Company is ordered to comply with WAC 284-30-340 to ensure claim files contain all required work papers and log notes. Instruction 5, Report page 22.
6. The Company is ordered to comply with WAC 284-30-390(1)(a)(b)(i-ii) and (c) when establishing the market value of total loss vehicles, including payment of all applicable taxes and license fees. Instruction 6, Report page 22.
7. The Company is ordered to consider manually reating a sample of all policies following

any programming changes to ensure that rates and the rate manual information programmed are in accordance with OIC filings. Recommendation 1, Report page 22.

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 5th day of June, 2001.

MIKE KREIDLER
Insurance Commissioner